GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:777
ANSWERED ON:26.07.2001
INVESTMENT IN AGRICULTURE AND AGRO-BASED INDUSTRIES
LAXMINARAYAN PANDEY

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government are aware of the steady decline in investment in agriculture and agro-based industries in the country;

(b) if so, the investment made therein during 1998,1999, 2000 and so far in 2001 alongwith the reasons for decline;

(c) whether the Government propose to attract private investment in agriculture and agro-based industries to generate employment in rural areas which may also check migration to cities; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHRIPAD Y. NAIK)

(a) & (b): According to the National Accounts Statistics released by the CentralStatistical Organisation (CSO), which is the source for estimates of capital formation in various sectors of the economy, the Gross Capital Formation in Agriculture & Allied sector (which includes agriculture, animal husbandry, forestry and fishing), and the Manufacturing Sector for the years from 1997-98 to 1999-2000 at 1993-94 are given in the table below:

TABLE

Gross Capital Formation (GCF) in Agriculture & Allied Sector and Manufacturing Sector at 1993-94 prices

(Rs.Crore)

Year	GCF in Agriculture & Allied Sector	GCF Manufacturing Sector
1997-98	18305	118011
1998-99	18964	105303
1999-2000	21388	110110

Agro-based industries are part of the Manufacturing Sector and there are noseparate estimates of capital formation in agro-based industries released by CSO.

It is seen from the TABLE that there is no decline in the capital formation either inthe Agriculture & Allied Sector or the Manufacturing Sector. The estimates for the year 2000-01 are not yet released by CSO.

(c) & (d): During the current year`s budget substantial allocations have been provided for strengthening the rural infrastructure. These include additional flows of credit to agricultural sector (Rs.10,500 crore), additional funds for construction of roads under Pradhan Mantri Gram Sadak Yojana (Rs.2,500 crore) and enhanced allocationsfor rural electrification (Rs.750 crore) etc. Further, the Department of Food Processing Industries have initiated action for formulating a National Food Processing Policy whichenvisages creation of enabling environment to encourage investments in food processing industries, and have created a Task Force to advise the Department in this regard. All these measures, in conjunction with the Terms of Trade favourable to agriculture, in recent years, would help in attracting private investment in agriculture and agro-based industries, and generate employment in the rural areas.